

Liudmyla Garnyk

PhD (political science), Associated professor of Entrepreneurship,
Trade and Goods Expertise Department

Anastasia Shvetz

3rd year student, specialty 076 “Entrepreneurship, Trade and Exchange Business”
National Technical University “Kharkiv Polytechnic Institute”

Valery Sherstyuk

PhD (technical science), Corresponding Member of UEAS,
Associated professor of EEPFP Department,
Petro Vasylenko Kharkiv National Technical University of Agriculture,
Kharkiv

HALAL FOOD INDUSTRY: DIGITAL TRENDS AND UKRAINIAN REALITY

According to world statistics there are approximately 1.9 billion Muslims in the world, making Islam the second-largest religion in the world after Christianity. The largest Muslim country is Indonesia, where an estimated 229 million Muslims are, also Islam is dominant religion in Afghanistan, Pakistan, Western Sahara, Iran, Turkey and regions of Africa, Middle East and Asia [2]. But since beginning of 21st century followers of Islam are present in each country of the world. Globalization, business depression caused by world geopolitical changes and regional conflicts have initially changed contemporary world and accelerate migration from Middle East to West. Traditionally Muslim migrants together with authentic lifestyle, spiritual values and cultural identity bring up their «food and nutrition culture» or dietary preferences – consumption of Halal (or allowed) food products, cosmetics and medicines.

After brief review of recent decades analytics related to issues of globalization, new economic order and digitalization, we have saw initial changes in attitudes to Muslims, Islamic economy and food integrity standards. Nowadays Islamic economy can be observed as implementation of unified core spiritual values into modern financial instruments, societal-economic institutes and practices of international economic collaboration. Its definition was represented in report of Dubai Islamic Economy

Development Center in 2013 that was prepared in collaboration with Thomson Reuters, Dinar Standard and Dubai Chamber of Commerce and Industry. Contemporary Islamic economy includes nine elements that demark areas of global Digital Islamic Economy and Halal food segment together with relevant standards and certification areas are it's the most dynamically developed sectors. Analyzing Halal food market experts indicate existence of great gap between proposal and consumers demand for quality food products. Here we can detect also essential need in greater transparency of information about source of Halal food that is coherent with other elements of digital Islamic economy especially in countries across Muslim communities, where each member of community needs to get appropriate verification to ensure authentic of food preparation without any traces or prohibited impurities.

Halal food industry is represented by Business-to-Consumer (B2C) and Business-to-Business (B2B) including «Farm-to-Fork» (F2F) tracking services. This category of digital service was established in 2011 as result of collaboration between IBM branch in Melbourne and Malaysian company that is leading provider of integrated Halal food integrity management systems. Digital service is integrated monitoring system allows to track inflow of Halal food products during the whole length of value chain. Growing demand and size of Halal food market has made it one of the most attractive sectors of Islamic economy.

Historical background of Halal industry development in Ukraine was discussed in works of D. Brylov [4] and O. Peredriy [5]. Issue of Halal industry digitalization in Ukraine was not mentioned yet in scientific-research or even practical discourses. Thus, to evaluate export perspectives for Ukrainian Halal food industry and propose appropriate scenario for digitalization and implement mechanisms for integrity assurance of Halal business in Ukraine especially in agrarian sector we have used elements of comparative analysis (see table 1). Digitalization as like as quality management issues should be based on balanced technologically and economically societal system that can demonstrate readiness for integration into global environment. All data were mined from open public databases and official web-resources [1; 3;6].

Table 1.

Digital services and Halal food industry in Ukraine

No.	Category	Description	Situation in Ukraine
1. Business-to-Business (B2B) Digital Services			
1.1	Digital marketing	Development of digital marketing material, website/app user interface design, digital marketing plans, campaigns, advice, listings.	Fragmentally developed (websites).
1.2	Intelligence and analytics	Proprietary raw data (on users), online poll data, reports, customized analysis (food heat maps, user location density).	Fragmentally developed.
1.3	Halal food scanners	Scanning of coded Halal food products (bar and QR codes) to compare and verify Halal status of ingredients against online Halal and haram ingredient food code repositories.	Under construction.
1.4	Farm-to-Fork tracking (F2F)	Systems tracking flow of Halal products from source to end users monitoring Halal status of products at each part of the value chain.	Under construction.
1.5	Online business directories	Aggregated listings with information on all Halal food suppliers across the value chain.	Under construction.
1.6	Halal food certification	Platforms enabling digital application and certification of Halal food products. Also online verification with coded knowledge and intelligence repository of different Halal standards for cross-checking.	Fragmentally developed, not recognized on internationally.
1.7	E-government services	Online portals providing information on national Halal food standards, certification process, authorities, recommended websites, news and sources.	Under construction.
1.8	Forums	Digital marketplace to actively match Halal food suppliers and buyers.	Fragmentally developed.
2. Business-to-Consumer (B2C) Digital Services			
2.1	Halal food events	Aggregated websites/apps of Halal food events, including facilities to register attendance, manage Halal food events.	Under construction.
2.2	Online videos and shows	Halal food educational videos, cooking shows, recorded community discussions and video Halal food advertising.	Fragmentally developed.
2.3	Group buying services	Discounted offerings for Halal food products and meals usually with restaurants. Includes linking Muslims with similar Halal food tastes, cuisine, or interests.	Under construction.
2.4	E-commerce platforms	Online stores of Halal food suppliers, restaurants or butchers providing Halal food products and meals.	Under construction.
2.5	Halal food blogs	Blogs dedicated to Halal Food enthusiasts to share views, recommendations, information and insights on Halal food.	Fragmentally developed.
2.6	Location services	GPS location of nearby Halal Food providers including location based features such as push notifications to drive consumer traffic towards Halal suppliers, retailers, restaurants, store.	Fragmentally developed (advertising, labeling, GPS)
2.7	Information services	Online Halal food guides and search services such as Halal restaurant, butcher, retailer guides (online review and ratings), Halal food events, Halal food magazines, news and links.	Fragmentally developed (blogs and posts in social networks)
2.8	Islamic media	Social Halal food communities on social media or aggregator websites.	Fragmentally developed.

According to current situation in Ukraine, where Halal food market is now under

constructin.“Halal” sector in relevance with Ukrainian economics has essential need to develop new sectors of domestic and foreign market segments that should be related with investments into its development. Within last decade there were published a lot of conceptual and research papers devoted to digitalization of Halal food industry, but scientific and research interest to this issue in Ukraine has just fragmental character, that is caused by micro- and macroeconomic factors on country and international levels.

Analyzing economic potential and importance of Halal food industry for societal development and national economic growth in Ukrainian perspective, we have considered that our country should implement Malaysian experience to renovate and restart agrarian sector. Successful strategy of Halal food export for Ukrainian agribusiness is also based on their readiness to meet requirements of consumers on quality, food integrity assurance, certification and transparency of supply chain. These issues are core interest of regional and international investors and partners of Ukraine on development of agribusiness and food processing enterprises in our country.

References:

1. Clarity Project - База даних і система аналітики публічних закупівель ProZorro. URL: <https://clarity-project> (retrieved: 02.05.2020).
2. Muslim population by country 2020. URL: <http://worldpopulationreview.com> (retrieved: 02.05.2020).
3. YouControl. URL: <https://youcontrol.com.ua/> (retrieved: 02.05.2020).
4. Брильов Д.В. Халяль-індустрія в Україні часів незалежності. *Гілея. Історичні науки. Філософські науки. Політичні науки*. 2018. № 132 (5). С. 238-241.
5. Передрій О.І. Особливості сертифікації продуктів харчування відповідно до стандартів «ХАЛЯЛЬ» *Товарознавчий вісник*. Випуск 10. 2017. С. 137-143.
6. Портал відкритих даних. Єдиний державний веб-портал відкритих даних. URL: <https://data.gov.ua/> (retrieved: 02.05.2020).